

MINUTES

**CITY OF IMPERIAL BEACH
CITY COUNCIL
PLANNING COMMISSION
PUBLIC FINANCING AUTHORITY
HOUSING AUTHORITY
IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY**

AUGUST 21, 2013

**Council Chambers
825 Imperial Beach Boulevard
Imperial Beach, CA 91932**

CLOSED SESSION MEETING – 5:00 P.M.

REGULAR MEETING – 6:00 P.M.

CLOSED SESSION CALL TO ORDER BY MAYOR

MAYOR JANNEY called the Meeting to order at 5:00 p.m.

ROLL CALL BY CITY CLERK

Councilmembers present:	Patton, Bilbray, Spriggs
Councilmembers absent:	None
Mayor present:	Janney
Mayor Pro Tem present:	Bragg
Staff present:	City Manager Hall, City Attorney Lyon, City Clerk Hald

CLOSED SESSION

MOTION BY BILBRAY, SECOND BY SPRIGGS, TO ADJOURN TO CLOSED SESSION UNDER:

1. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2)
(1 case)

Facts and Circumstances pursuant to Government Code Section 54956.9(e)(1)

MOTION CARRIED UNANIMOUSLY.

MAYOR JANNEY recessed the meeting to Closed Session at 5:01 p.m. and he reconvened the meeting to Open Session at 6:00 p.m.

Reporting out of Closed Session, CITY ATTORNEY LYON announced City Council discussed Item No. 1, City Council gave direction and no reportable action was taken.

ADJOURN CLOSED SESSION

The Closed Session Meeting was adjourned at 6:01 p.m.

REGULAR MEETING CALL TO ORDER

MAYOR JANNEY called the Regular Meeting to order at 6:02 p.m.

ROLL CALL BY CITY CLERK

Councilmembers present:	Patton, Bilbray, Spriggs
Councilmembers absent:	None
Mayor present:	Janney
Mayor Pro Tem present:	Bragg
Staff present:	City Manager Hall, City Attorney Lyon, Assistant City Manager Wade, Public Safety Director Clark, Public Works Director Levien, City Clerk Hald

PLEDGE OF ALLEGIANCE

MAYOR JANNEY led everyone in the Pledge of Allegiance.

AGENDA CHANGES

ASSISTANT CITY MANAGER WADE announced City Staff is recommending continuance of Item No. 6.2 to the City Council meeting of September 4, 2013. He advised City Council that the draft request for proposals is being revised based on recommendations from the meetings with the Sports Park Ad Hoc Committee and the Sports Park Task Force.

MAYOR/COUNCIL REIMBURSEMENT DISCLOSURE/COMMUNITY ANNOUNCEMENTS/REPORTS ON ASSIGNMENTS AND COMMITTEES

MAYOR PRO TEM BRAGG welcomed Andy Hall, Imperial Beach's new City Manager.

MAYOR JANNEY announced he and Councilmember Patton attended the City of Imperial Beach Employee Appreciation Party. He thanked Erika Cortez for arranging a successful event and recognized the City employees for their service to Imperial Beach.

COMMUNICATIONS FROM CITY STAFF

PUBLIC SAFETY DIRECTOR CLARK introduced Mark Ryan, the new lieutenant at the San Diego County Sheriff's Imperial Beach Patrol Station.

LT. RYAN introduced himself to the City Council and spoke briefly about his background.

PUBLIC SAFETY DIRECTOR CLARK announced September is National Preparedness Month and spoke about the importance of taking steps to prepare for emergencies. He also announced October is National Fire Prevention Month and a Fire Department Open House is scheduled for October 5, 2013.

PUBLIC COMMENT

MARCUS BOYD encouraged people to watch a CNN documentary on medical marijuana by Dr. Sanjay Gupta, detailing Dr. Gupta's shift in position on the medical marijuana issue. He spoke in support for citywide regulations that provides for safe, local and reliable access in Imperial Beach.

PRESENTATIONS (1)

None.

CONSENT CALENDAR (2.1-2.4)

In response to Councilmember Spriggs' question regarding payments to SANDPIPA (San Diego Pooled Insurance Authority) totaling \$145,000, ASSISTANT CITY MANAGER WADE explained the payments were for the annual insurance premiums for property and liability. He further stated that according to the Interim Administrative Services Director, the rates are low for a City our size due to the lack of claims made against the City.

MOTION BY PATTON, SECOND BY SPRIGGS, TO APPROVE CONSENT CALENDAR ITEM NOS. 2.1 THRU 2.4. MOTION CARRIED UNANIMOUSLY.

2.1 MINUTES.

Approved the minutes of the Regular City Council Meeting of August 7, 2013.

2.2 RATIFICATION OF WARRANT REGISTER. (0300-25)

Ratified the following registers: Accounts Payable Numbers 82888 through 82953 for a subtotal amount of \$587,924.59 and Payroll Checks/Direct Deposit 45392 through 45423 for a subtotal of \$157,193.19 for a total amount of \$745,117.78.

2.3 RESOLUTION 2013-7374 IN SUPPORT OF HOUSE RESOLUTION 241 RECOGNIZING THE IMPORTANCE OF THE EFFORTS OF THE UNITED STATES INTERNATIONAL BOUNDARY WATER COMMISSION (USIBWC) AND ITS RECENT EFFORTS TO ADDRESS TRASH, SEDIMENT, AND WATER QUALITY ISSUES WITH THEIR MEXICAN COUNTERPARTS, COMISION INTERNACIONAL DE LIMITES Y AGUAS (CILA) THROUGH A PROPOSED MINUTE. (0230-70 & 0620-75)

1. Approved Resolution of support and
2. Directed the City Manager to send the Resolution of support to Congressman Juan Vargas in support of House Resolution 241.

2.4 ADOPTION OF RESOLUTION NUMBER 2013-7378 AUTHORIZING THE CITY MANAGER TO EXECUTE THE FIRST OF TWO EXTENSIONS OF THE MOU WITH THE SOUTH BAY UNION SCHOOL DISTRICT FOR SCHOOL RESOURCE OFFICER SERVICES IN THE ELEMENTARY SCHOOLS. (0260-45)

Adopted resolution.

ORDINANCES – INTRODUCTION/FIRST READING/PUBLIC HEARING (3)

None.

ORDINANCES – SECOND READING/ADOPTION (4)

None.

PUBLIC HEARINGS (5)

None.

REPORTS (6.1-6.4)

6.1 ADOPTION OF RESOLUTION NO. 2013-7375 APPROVING THE CITY’S RESPONSE TO THE MAY 28, 2013 GRAND JURY REPORT ENTITLED “IMPERIAL BEACH FINANCES – A CITY UNDER STRESS”. (0440-25)

CITY MANAGER HALL introduced the item.

ASSISTANT CITY MANAGER WADE reported on the item. He noted that City Staff agreed with the Grand Jury’s primary finding that there was no fraud or wrongdoing detected and also agreed that the dissolution process has been difficult to navigate.

Councilmember Spriggs expressed appreciation for staff’s detailed report which addresses every finding and recommendation in the Grand Jury report. In light of the allegations made against the City, he requested that the City’s response to the Grand Jury report be entered into the record.

ASSISTANT CITY MANAGER WADE reviewed and displayed the Grand Jury’s nine recommendations and the City’s responses as detailed in the staff report and shown below:

1. The first recommendation (13-83) is that the City “update its timekeeping system and approval procedure to allow required segregation of labor costs to the Successor Agency.”

This recommendation has been implemented. A new project code was created in February 2012 to segregate Successor Agency administrative costs, including labor, which was fully implemented after the enactment of AB 1484, which clarified the ROPS reporting requirements. Additionally, the Successor Agency has created other project-related codes to more accurately account for costs incurred by the Successor Agency.

2. The Grand Jury's second recommendation (13-84) is that the City "[i]mmediately implement accounting procedures that accurately segregate all costs types (notably labor and outsourced legal expenses) between the General Fund, Successor Agency and other City funds."

This recommendation has been implemented. As noted above under the first recommendation, a number of project codes segregating Successor Agency costs have been created and utilized, before and after the Grand Jury audit. These include project codes segregating costs associated with litigation costs, property management, Pier South Hotel, Bikeway Village, and the 2003 Tax Allocation Bond refinancing, among others.

3. The Grand Jury's third recommendation (13-85) is that "by the end of Calendar Year (CY) 2013, institute a time study that should be performed on a periodic basis to allocate time spent on RDA activities."

This recommendation will not be implemented. A time study is not warranted because Imperial Beach staff already record the actual hours spent on Successor Agency activity using specific project codes. Legal services are also recorded according to specific project codes and billed separately under specific project titles. The support documentation for the staff hours dedicated to Successor Agency activities has been reviewed and approved by DOF; therefore a time study is not needed and would constitute a waste of taxpayer resources.

4. The Grand Jury's fourth recommendation (13-86) is "by the end of CY 2013, improve the City accounting system for legal expenses."

This recommendation has been implemented. The accounting for legal services has been reclassified to the Legal Services account from the Professional Services account, with journals created to correct previous entries. All legal services are coded to project sub-accounts for litigation and operations.

5. The Grand Jury's fifth recommendation (13-87) is "by the end of CY 2013, restate financial statements for FY 2010-2011."

This recommendation will not be implemented. The basis for this recommendation is not clear, but if it is the issue of the \$1.7 million transfer to the General Fund to fund Former RDA costs and expenses, that issue was resolved with the DOF approval of the transfer and finding that it was authorized. Both the City and Former RDA received an unqualified audit report for FY 2010-2011.

6. The Grand Jury's sixth recommendation (13-88) is, "by end of CY 2013, identify labor costs related to RDA activities for the period of February 1 through June 30, 2012 and make an adjusting journal entry to transfer this cost from the City's General Fund to the Successor Agency fund."

This recommendation will not be implemented. There were no RDA costs incurred during the stated period because the RDA was dissolved February 1, 2012. Additionally, the Dissolution Act allows for payment of labor costs related to Successor Agency activities. Adjustments are done only when the adjustment would change the balance sheet, however, this recommendation would have no net effect. Finally, it would be inappropriate to change the accounting for a period which has already been reviewed and approved by DOF.

7. The Grand Jury's seventh recommendation (13-89) is "develop a timekeeping system or work with the current vendor's system support to automate the timesheet approval process and to implement automated controls that prevent employees from adjusting time sheets after supervisor's approval."

This recommendation has been implemented. The City's current electronic time keeping system is automated and protects against employee alteration of time sheets after submittal. The Administrative Services/Finance Department follows an additional control procedure by auditing the submitted approved timesheets against the timekeeping hours in the system.

8. The Grand Jury's eighth recommendation (13-90) is "begin immediately to increase the accuracy of their ROPS submission procedures to comply with DOF requirements."

This recommendation has been implemented. The Successor Agency is constantly pursuing procedures to improve its accuracy and compliance with the Dissolution Act, reflected by the consistent approval rate by DOF of its enforceable obligations and RPTTF funding for all ROPS submittals to date.

9. The Grand Jury's final recommendation (13-91) is to "consider getting help from the State representatives or County resources in the ROPS submission and settlement process."

This recommendation has been implemented. Imperial Beach has sought and received assistance from State representatives and County resources in the preparation and submission of its ROPS. However, it should be noted that the recommendation is unwarranted, because Successor Agency staff are highly skilled and experienced and have been successful in managing the redevelopment dissolution process and compliance with the Dissolution Act. This is reflected in the timely submittal of all ROPS and approval by DOF of most of the enforceable obligations; payment of all available RPTTF funds for Successor Agency enforceable obligations; issuance of the Finding of Completion; and consistent receipt of unqualified audit reports.

CITY ATTORNEY LYON clarified that the report was issued by the Civil Grand Jury, not the Criminal Grand Jury. The Civil Grand Jury has the authority to investigate procedures of local agencies. She noted that the 2012-2013 Civil Grand Jury issued fifteen reports containing policy recommendations to various local agencies and had the authority to do so pursuant to State law. Additionally, State law requires local agencies to respond and it dictates how local agencies are to respond. She further noted that State law does not require the City to adopt the policy recommendations but only to consider them and provide a response. The response letter presented to City Council embodies what is to be done under the law.

ASSISTANT CITY MANAGER WADE stated that a positive outcome of the report is having somebody else look at what was being done and having a conclusion that nothing was done

wrong. Additionally, implementing recommendations that can improve the system is a positive outcome of the report.

DANTE PAMINTUAN stated that he was embarrassed by the language contained in the response letter. He suggested that the City welcome the Grand Jury's recommendations and not be defensive.

MAYOR PRO TEM BRAGG thanked Assistant City Manager Wade for his thorough explanation of the City's response. She noted that the rules relating to the wind-down of redevelopment kept changing and it has been a complicated process. She thanked Assistant City Manager Wade, former City Manager Brown, City Attorney Lyon and special counsel for their efforts.

MAYOR JANNEY stated that the California State Department of Finance, being the highest authority in the dissolution process, approved everything the City reported to them. He recognized staff and outside counsel for successfully navigating through the dissolution process. He expressed disappointment that some of the information presented by the complainant and the Grand Jury were incorrect. He noted that multiple auditors have shown that we have been performing in accordance with the laws and he spoke in support for staff's recommendation.

COUNCILMEMBER BILBRAY questioned what the City can do to inform its citizens of the positive outcome.

CITY MANAGER HALL responded that all the information presented is available to the public. The challenge, however, is that this is a complicated matter with a voluminous amount of information that is hard to follow. He stressed the importance of following the process from beginning to end as one can get lost in the changes in legislation. Staff will prepare a timeframe showing how the process unfolded and how the City responded as the dissolution process happened. He noted that Imperial Beach is one of the first cities to complete the process.

COUNCILMEMBER SPRIGGS stated that the dissolution of redevelopment has created a tremendous amount of stress on every city in the state that had a redevelopment agency. The IB City Council has been as aggressive as any City Council can be in fighting to keep projects alive so they can be completed. He stressed that at every turn, the efforts of City Staff and City Council have been vindicated and stated that he is proud of the work that has been done. With regard to the response letter, he questioned the tone and the use of terminology.

CITY ATTORNEY LYON stated that the response letter meets the intent of the law and tone is a matter of preference. Adding the word "respectfully" before the words "disagree" and "submitted" would be appropriate language as the letter is being submitted to the presiding judge. These changes are non-substantive and can be made by Staff.

MOTION BY SPRIGGS, SECOND BY PATTON, TO ADOPT RESOLUTION NO. 2013-7375 APPROVING THE CITY'S RESPONSE TO THE MAY 28, 2013 GRAND JURY REPORT ENTITLED "IMPERIAL BEACH FINANCES – A CITY UNDER STRESS" WITH THE NON-SUBSTANTIVE CHANGES TO THE RESPONSE LETTER AS PROPOSED BY THE CITY ATTORNEY.

MAYOR JANNEY stressed that the results of the Grand Jury audit did not uncover any fraud.

VOTES WERE NOW CAST ON ORIGINAL MOTION BY SPRIGGS, SECOND BY PATTON, TO ADOPT RESOLUTION NO. 2013-7375 APPROVING THE CITY'S RESPONSE TO THE MAY 28, 2013 GRAND JURY REPORT ENTITLED "IMPERIAL BEACH FINANCES – A CITY UNDER STRESS" WITH THE NON-SUBSTANTIVE CHANGES TO THE RESPONSE LETTER AS PROPOSED BY THE CITY ATTORNEY. MOTION CARRIED UNANIMOUSLY.

MAYOR JANNEY recognized Dr. Katie McNamara, the new Superintendent for South Bay Union School District.

6.2 CONSIDERATION OF AND AUTHORIZATION TO ISSUE A REQUEST FOR QUALIFICATIONS AND PROPOSALS FOR SPECIALIZED SERVICES TO OPERATE AND MANAGE THE IMPERIAL BEACH SPORTS PARK. (0920-40)

Item continued to the City Council meeting of September 4, 2013.

6.3 RESOLUTION NO. 2013-7377 FORMALLY ACCEPTING AND APPROPRIATING THE 2012-2013 BICYCLE TRANSPORTATION ACCOUNT (BTA) GRANT FUNDS AND AUTHORIZING AN AMENDMENT TO THE CITY'S FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM (CIP) FOR THE 13TH STREET BIKEWAY PROJECT. (0330-35 & 0680-20)

CITY MANAGER HALL introduced the item.

PUBLIC WORKS DIRECTOR LEVIEN showed an aerial photo of the proposed changes to 13th Street.

COUNCILMEMBER BILBRAY expressed concern about high traffic volumes and traffic flow due to the nearby high density residential area and the Navy base and did not support the item.

In response to Councilmember Patton's question about previous traffic studies, PUBLIC WORKS DIRECTOR LEVIEN stated that the volume of traffic and frequency were studied by the traffic engineer and they meet the engineering standards for converting to this method for traffic lanes. The signal lights can be studied later if it turns out to be an issue. He further stated that he does not know of any problems that may come up in the future. With regard to Councilmember Bilbray's concerns, increased traffic is not anticipated at the Navy base as there are no plans for expansion and there is no expectation that the residential area will become more dense.

ASSISTANT CITY MANAGER WADE stated that a Local Coastal Program Amendment related to this project that addresses the circulation element will be presented to City Council at their next meeting. He also stated that there is a Bicycle Transportation Plan that was approved by the City Council that classifies 13th Street as a Class 2 Bicycle Facility.

MAYOR JANNEY stated that the Navy is aware of this project and supports it as they would like to see their staff use more bicycles. He stressed that the Navy does not have the capability to increase personnel at the base.

In response to concerns of the City Council, PUBLIC WORKS DIRECTOR LEVIEN stated that he can present the drawings to City Council once they are completed and that City Council supported this project when he presented it to them in April. After conducting studies, the traffic engineer did not expect congestion to occur. He stressed that the design serves several purposes such as slowing traffic down, providing a safer alternative to transportation in terms of

bicycling and making it safer for pedestrians.

COUNCILMEMBER SPRIGGS noted that the proposed project does not include major infrastructure construction but rather striping of lanes. He suggested that if the amount of traffic increases, the street can be returned to a four lane road.

COUNCILMEMBER BILBRAY suggested that after the project is completed, have Staff report back to City Council on the flow of traffic and have City Council decide if the street should return to four lanes.

MOTION BY JANNEY, SECOND BY BILBRAY, TO ADOPT RESOLUTION NO. 2013-7377 FORMALLY ACCEPTING AND APPROPRIATING THE 2012-2013 BICYCLE TRANSPORTATION ACCOUNT (BTA) GRANT FUNDS AND AUTHORIZING AN AMENDMENT TO THE CITY'S FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM (CIP) FOR THE 13TH STREET BIKEWAY PROJECT AND RETURN TO CITY COUNCIL WITH A REPORT ON THE TRAFFIC FLOW SIX MONTHS TO ONE YEAR AFTER THE COMPLETION OF THE PROJECT. MOTION CARRIED UNANIMOUSLY.

6.4 AUTHORIZATION TO PREPARE AND ISSUE A REQUEST FOR QUALIFICATIONS/PROPOSALS (RFQ/P) TO PREPARE CIVIL ENGINEERING DRAWINGS, CONDUCT ENVIRONMENTAL REVIEW AND PREPARE AN ENVIRONMENTAL REVIEW DOCUMENT FOR THE PALM AVENUE MIXED USE AND COMMERCIAL CORRIDOR MASTER PLAN. (0620-20 & 0720-55)

CITY MANAGER HALL introduced the item.

ASSISTANT CITY MANAGER WADE gave a brief history on the project. He noted that the project will be incorporated into the FY14 CIP and he showed a PowerPoint presentation on the Palm Avenue Mixed Use and Commercial Corridor Master Plan.

MOTION BY BRAGG, SECOND BY PATTON, TO AUTHORIZE THE PREPARATION AND ISSUANCE OF A REQUEST FOR QUALIFICATION AND PROPOSALS TO SELECT PROFESSIONAL CONSULTANT SERVICES NECESSARY TO CARRY OUT THE SCOPE OF WORK FOR THE PALM AVENUE MIXED USE AND COMMERCIAL CORRIDOR MASTER PLAN. MOTION CARRIED UNANIMOUSLY.

I.B. REDEVELOPMENT AGENCY SUCCESSOR AGENCY REPORTS (7)

None.

ITEMS PULLED FROM THE CONSENT CALENDAR (IF ANY)

None.

ADJOURNMENT

Mayor Janney adjourned the meeting at 7:48 p.m.

/s/
James C. Janney, Mayor

/s/
Jacqueline M. Hald, MMC
City Clerk